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C O N F I D E N T I A L SECTION 01 OF 02 LONDON 002798

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STATE FOR NEA/IR, EEB, ISN, WUR/WE  
TREASURY FOR U/S LEVEY, A/S O'BRIEN, DIRECTOR SZUBIN

E.O. 12958: DECL: 04/11/2018

TAGS: [EFIN](#) [KTFN](#) [MNUC](#) [IR](#) [UK](#)

SUBJECT: (C) UK'S POTENTIAL NEW FINANCIAL TOOL AGAINST IRAN Classified By: KATHLEEN DOHERTY, ECON COUNSELOR FOR REASONS 1.4 B & D

1. (C/NF) Summary. The British government amended the Counter-Terrorism Bill (CT Bill) on November 3, which would potentially give HMG stronger
2. (C/NF) Following persistent USG pressure from Washington and Embassy London, HMG decided on November 3 to amend the long-simmering Counter-
  - If the Financial Action Task Force (FATF) decides to apply counter-measures against a jurisdiction (this could happen if the upcoming February
  - If HMT determines there is a risk of terrorist finance or money laundering from a jurisdiction against UK interests; or
  - If a state or jurisdiction develops or facilitates Weapons of Mass Destruction (WMD) that poses a risk to the UK or its national interests.
3. (C/NF) HMG wanted to adopt both multilateral and unilateral measures that it could use against Iran or other states. The British government
4. (C/NF) If any of the conditions are met, HMT can direct the private sector to impose measures against selected partners in the jurisdiction
5. (C/NF) The amendments are being put forth at the last possible stage in the CT bill's process, the Lords' Debate, which will occur on November
6. (C/NF) Guthrie said the British government will be very quiet on this process until it goes through the legislative process over the course of the